

I. CALL TO ORDER

Mayor Cobb called the meeting to order at 7:00 pm in the City Council Chambers.

II. PLEDGE OF ALLEGIANCE

The City Council led in the pledge of allegiance to the American flag.

III. ROLL CALL

Mayor Dave Cobb  
Council member Dorothy M. Moore  
Council member Steve McCann

Council member Alan Sorum  
Council member Joe Prax  
Council member Mike Wells

Council member Ables arrived at 7:30 pm.

Also Present:

John Hozey, City Manger  
Sheri Pierce, City Clerk

Members of staff and approximately 25 people in the audience

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF September 4, 2012  
(Postponed to October 1, 2012)

V. RECESS AND RECONVENE AS THE VMHA CORPORATION

**MOTION: Board member Moore moved, seconded by Board member Wells, to recess and reconvene as the VMHA Corporation.**

**VOTE ON THE MOTION: 6 yeas, 1 absent (Ables). Motion carried.**

1. Appointment to the Valdez Museum and Historical Archive Board of Directors

**MOTION: Board member Moore moved, seconded by Board member Wells, to appoint Wes Lundburg to the VMHA Board of Directors.**

**VOTE ON THE MOTION: 6 yeas, 1 absent (Ables). Motion carried.**

VI. RECONVENE CITY COUNCIL

**MOTION: Council member Moore moved, seconded by Council member Wells, to reconvene as the Valdez City Council.**

**VOTE ON THE MOTION: 6 yeas, 1 absent (Ables). Motion carried.**

- VII. PUBLIC APPEARANCES
- VIII. PUBLIC BUSINESS FROM THE FLOOR
- IX. CITY MANAGER/CITY CLERK/CITY ATTORNEY/MAYOR REPORTS

City Manager

Beautification Task Force

Mr. Hozey reported that the Beautification Task Force met last week to review the results of the public input provided at the Gold Rush booth and at the Town Hall meeting that was held on August 30<sup>th</sup>. The Task Force decided to form a sub-committee to review and combine the public comments with the update of the beautification plan which was developed in the 1990's. They will also review the website and update the conceptual plan. The next meeting of the task force will be held on October 22<sup>nd</sup>.

Strategic Planning

The Planning Core group met on September 6<sup>th</sup> to review the first draft plan provided by the consultant. It was decided to conduct another joint meeting with the all the Planning Cells to provide them with information regarding how their input was used to form the current draft. Mr. Hozey stated that nothing in the plan has been prioritized at this point and that an implementation strategy must still be developed. There is still a great deal of work remaining. The meeting with the Cells will take place on Saturday, October 6<sup>th</sup>.

Council member Prax asked for a report regarding who attended both the Strategic Planning Core meeting and the Beautification Task Force meeting.

Project Management Review

Administration is meeting with the consultant to determine how to revamp the project management process. They are focusing on a project management manual and the project planning process. Mr. Hozey said he would be scheduling a work session with the council to further discuss the planning process later this fall.

Civic Center Roof Project

Civic Center roof project is 50% complete. The heavy rains this weekend created some problems.

Harbor Piling Replacements

This project should be completed by early October.

LNG Conference

Mr. Hozey said this conference was a huge undertaking which was pulled together in a very short period of time. The conference was extremely successful and he thanked the conference coordinating group who pulled it together and which consisted of the Mayor, City Attorney, City Clerk, City Manager, Laurie Prax, Monika Gonda, Sandy Moore and Karen Weiland. He also thanked the numerous city employees and volunteers such as Cindy Rymer, Janese Chrystal, Holly Powers, Renee Pickard, Janice Johnson, Paula Montjoy, Debbie Yamakami, Tina Fifarek, Meg Weaver and Venessa Dawson.

Council member Sorum stated that although the city had experienced an excessive amount of rain over the past week, the culverts and drainage improvements that the City made in Alpine Woods had greatly reduced the risks associated with flooding in the area.

Mayor Cobb stated that the city crews and police department had been very diligent in monitoring weather conditions and watching for any potential problems caused by the rainfall.

Mayor

Mayor Cobb stated that the LNG Conference was an overwhelmingly successful. Bill Walker said he could not think of a single thing that could have been done better. He stated that the attendees were still talking about what a wonderful conference this was. Due to the extensive media coverage the conference received, the media representatives who attended the conference are eager to pursue the progress of bringing Alaska LNG to market. Mr. Walker said he was not surprised, but the conference was successful due to the people in Valdez who stepped up to make it happen. Mr. Walker stated that one of the attendees had told him that he had attended conferences all over the world, and that the Valdez conference was the best conference he had ever attended.

City Clerk

Sheri Pierce, City Clerk, stated that she wished to recognize IT Director Chris Farmer and his staff for arranging and supervising the audio technical component of the LNG Conference. Mr. Farmer did an outstanding job of working with our contractors to make sure that every video conference and every presentation was professional and a complete success.

Ms. Pierce reported that absentee voting for the upcoming municipal election would take place from September 17<sup>th</sup> through October 1<sup>st</sup> at city hall. For those voters who would like to vote by fax, they may contact the City Clerk's office.

X. CONSENT AGENDA

1. Approval to go into Executive Session Regarding
  1. TAPS Value/Litigation
  2. City Clerk Evaluation

Mr. Walker stated that the TAPS value litigation should be removed from the consent agenda.

**MOTION: Council member Wells moved, seconded by Council member Moore, to approve the remaining item on the Consent Agenda.**

**VOTE ON THE MOTION: 7 yeas. Motion carried.**

XI. NEW BUSINESS

1. Approval of Contract with Wolverine Supply, Inc for Phase I Construction of the Valdez Senior Center Carport in the Amount of \$950,000

**MOTION: Council member Moore moved, seconded by Council member McCann, to approve a contract with Wolverine Supply, Inc. for Phase I construction of the Valdez Senior Center carport in the amount of \$950,000.**

Council member Wells said he was concerned about the process used for this project. The situation the city finds itself in at this time is that the building has been purchased and excavation work done, only to find out that the project may cost considerably more than was budgeted. Mr. Hozey replied that Council member Wells had every reason to be concerned, as the process used had not gone well. Mr. Hozey stated that the original recommendation by administration was to design the project in 2012 and then build in 2013. But Council direction was for administration to move forward with the design and build in 2012. In order to make a good faith effort to try and make this happen, the method that was chosen by the city to expedite the process was a "GC /C M" method, which can consolidate schedules and move the project ahead faster. Mr. Hozey stated that initially the method was working, trying to bring the contractor and architect on board earlier to negotiate a guaranteed maximum price. The parties determined that the most cost effective solution was to purchase a pre-fab metal building, but once the building was purchased there was no longer an option for change. Then after the geo-tech was completed it was learned that the soils at the site were undesirable, and would require much more excavation and replacement of fill than was anticipated. This would also change the design criteria for the foundation. All of these variables came together resulting in considerable added costs which currently exceed the budgeted amount. Mr. Hozey stated that the options are to stop the project, however the city has already purchased the building, or figure out a way to phase the project so that phase 1 could stay within the project budget. Mr. Hozey said this was the price the city has to pay for rushing the project. Since the construction

season is quickly drawing to a close, the suggested plan of action is to issue a limited notice to proceed on the site work. Council member Wells asked if there would be any ramifications to the city by the contractor if the city was to halt the project until next season. Mr. Hozey replied that the city would compensate the contractor for all work done to date and the building would be stored. Council member Wells asked what the condition was of the existing carport and if the building would fall down this winter. Mr. Hozey said the existing building could be used this winter; however because of the deterioration the building would need to be monitored very closely and standing water would also create an ice hazard for residents. Council member Wells suggested that a temporary covered walkway be constructed to the new carport. Mr. Hozey replied that the recommendation from administration included a temporary enclosed walkway. Council member Wells said that he felt that council should take responsibility for this problem due to the fact that they directed administration to proceed, but he did not feel that this was any way to do business. He stated that the same problems were occurring with the Salmonberry Ski Hill project. He stated that the project process seriously needed review.

Council member Moore said that she echoed Council member Wells concerns. She stated that projects should be planned one year and built the next year.

Council member Ables asked the reason for the increase in cost. Mr. Hozey said the agenda statement lists the reasons for the added costs, but that the majority of increased costs were related to unexpected excavation cost due to poor soil conditions.

Council member Prax said the total costs are a pushing the limit the city should be paying for a carport. He stated that the soil conditions should not have been a surprise since the existing structures built in the vicinity should have had the same problems and required extensive excavation and fill.

Mr. Hozey reiterated that a project planning process currently in revision by administration needs to be implemented by the city in order to reduce project costs and reduce cost over runs. Mayor Cobb agreed and stated that in reality no project should come forward to the council for approval that is not fully engineered and includes a full cost estimate.

Council member Wells asked when the proposed project would be completed. Mr. Hozey replied that the contractor stated that phase 1 of the project could be completed by the end of October. Council member Moore asked if the city stopped the project and started the project as soon as possible next year, would the cost be cheaper. Mr. Hozey said he did not believe so.

Council member Prax stated that by his calculations, the cost of this project amounted to \$60,000 to \$70,000 per parking space. Therefore, his answer to moving ahead was no.

Wanda Clark, Senior Center Director, said she felt it was necessary to rush this project. She stated that it was overdue. The existing parking structure was a hazard for the senior citizens who park their vehicles due to bad drainage which causes ice to form inside the structure.

Mr. Hozey stated that it had been discussed with the senior citizens at the facility and they understood and supported going forward with Phase I of the carport project as recommended by administration.

Cindy Butherus, stated that her mother will be living at the senior center this year and did not want her to risk falling and ending up confined to a wheelchair due to ice accumulation in the existing carport. Ms. Butherus said she was concerned that no storage would be available in the proposed first phase of the project. She stated that many senior citizens could not afford the rental of a storage unit.

Chris Moulton suggested that the ski hill project be put on hold and the money be re-directed to the senior center carport.

John Miskovich stated that he purchased sand last winter to pour onto the glare ice which accumulated in the carport last year. He also expressed his concern for the integrity of the roof and questioned the ability of the structure to stand up to the weight of snow for another winter.

**VOTE ON THE MOTION: 6 yeas, 1 nay (Prax). Motion carried.**

2. Approval of Contract with Orion Construction Inc. for Repair of the VCT Expansion Joints in the Amount of \$57,150

**MOTION: Council member Wells moved, seconded by Council member Moore, to approve a contract award to Orion Construction Inc. for repair of the VCT expansion joints in the amount of \$57,150.00.**

Council member Moore questioned the low bid and asked if the contractor had made the correct assumptions on this project. Mr. Hozey responded that Orion Construction was currently in town, therefore this was probably a factor.

Council member Prax asked if the repairs would be done in a way which would prevent snow removal equipment from damaging the expansion joints again. Mr. Hozey said yes, the contractor would take this into consideration when making the repairs.

**VOTE ON THE MOTION: 7 yeas. Motion carried.**

3. Approval of Contract to Harris Sand and Gravel to Provide Earthwork and Various Terrain Improvements to the Salmonberry Ski Hill in the Amount of

\$264,820.00

**MOTION: Council member Wells moved, seconded by Council member Moore, to approve a contract award to Harris Sand and Gravel to provide earthwork and various terrain improvements to the Salmonberry Ski Hill in the amount of \$264,820.00.**

Council member Ables asked if there was a piece of equipment that could groom the snow instead of requiring these improvements. Mr. Hozey said he was not aware of any equipment other than the groomer which is unable to correct the problem.

Todd Wagner, Acting Parks and Recreation Director, stated that presently the groomer is unable to groom close to the rope tow, along with other problems which must be resolved by improving the terrain.

Council member Prax said he supported the ski hill, but not at this price.

Council member McCann stated that if a different piece of equipment would solve the grooming problems maybe it would be cheaper to buy this equipment rather than expend this amount of money for terrain improvements. Mr. Wagner said this project included more than terrain work, such as installing a foundation for an existing small structure.

Council member Ables said she wanted to raise the rates for ski hill.

Dean Day, Capital Facilities Director, said he was confused about the concern over the cost of the project due to the fact that the approved budget for the Salmonberry Ski Hill was \$310,000 He pointed out that the project cost came in at \$264,820.00.

Chris Moulton said the possibility of using snow making equipment could be considered. He said there were many improvements which he was surprised by and questioned the need for some of the expenses. He also questioned why this project had been delayed until mid September. Todd Wagner, responded that due to the amount of snow remaining at the site in June and the lengthy process in obtaining the required permitting, the project could not be started until September.

Council member Ables said she supported this project but requested that the Parks and Recreation Commission revisit the rate structure.

Council member Prax asked what lights would be installed. Mr. Hozey replied that lighting will be installed at the top and bottom of the ski hill. He asked if the lights were for the purpose of running the ski hill at night. Mr. Hozey responded that lighting is required for the groomer to operate after hours. Not installing the lights would not result in significant cost savings. Council member Wells stated that the work proposed in this project should have been addressed in the beginning of the project, but since this was another project that was not given the time for proper planning and design,

the city must now move forward and do what is required.

**VOTE ON THE MOTION: 6 yeas, 1 nay (Prax). Motion carried.**

XII. RESOLUTIONS

1. #12-56 - Appointing the Judges and Clerks for the Regular Municipal Election to Be Held October 2, 2012 and Setting the Hourly Rate of Compensation

**MOTION: Council member Sorum moved, seconded by Council member Moore, to approve Resolution No. 12-56.**

**VOTE ON THE MOTION: 7 yeas. Motion carried.**

XIII. REPORTS

1. Temporary Land Use Permit Update
2. Change Order Report

Council member Prax stated that more street lights seem to be staying on during the day. Larry Weaver, Public Works Director, replied that each light is on an individual light sensor. Crows have caused damage to some of the sensors which causes the light to be either on or off permanently. Mr. Weaver said that the city monitors the problem and provides a report to Copper Valley Electric.

XIV. COUNCIL BUSINESS FROM THE FLOOR

Council member Sorum

Council member Sorum thanked the city staff for their monitoring of areas which are prone to flooding over the weekend. He also stated that he believed the LNG conference had a very positive effect on pushing the development of Alaska LNG.

Council member Wells

Council member Wells reiterated that the LNG conference was very impressive and that he had learned a lot by attending.

Council member McCann

Council member McCann stated that he had attended the LNG conference and hoped that the enthusiasm by the majority of the people in attendance to develop this resource was encouraging and that he hoped that this positive energy would be shared by our legislators and State administration.

Council member McCann said that this would be his final council meeting as he will be



moving for Colorado. He thanked his fellow council members and stated that he had learned a lot over the past two years. He suggested that the council seriously consider moving to a fiscal year which could alleviate some of the problems the city experiences in planning and completing projects in a timely manner.

Council member Prax

Council member Prax stated that he had heard that one of the septic systems installed by the city in Alpine Woods had failed and was being removed. Alan Crume, speaking from the audience, replied that the system which is being removed was a mound system which was incorrectly installed, not a package plant. Mr. Crume stated that he was concerned that all of tests on the existing systems indicate that there could be problems with groundwater contamination. He asked that ADEC and the City work to establish a policy on groundwater discharge levels.

Council member Moore

Council member Moore stated that she will be attending a RCAC meeting in Seward. If any council member would like a copy of the agenda she will forward the agenda and related information.

Mayor Cobb

On Tuesday, September 25<sup>th</sup>, the council has been invited to a reception hosted by Tesoro at the Civic Center.

- XV. EXECUTIVE SESSION
- XVI. RETURN FROM EXECUTIVE SESSION
- XVII. COUNCIL TRAVEL
- XVIII. ADJOURNMENT

There being no further business, Mayor Cobb adjourned the meeting at 9:30 pm.